

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ALABAMA  
NORTHERN DIVISION**

In Re:

**David Dolliver Lafferty  
Rebecca Lynn Lafferty**

Case No.: 17-80607—CRJ13  
Chapter: 13  
Judge: Jessup

**MOTION TO INCUR DEBT FOR THE PURPOSE OF  
REFINANCING REAL ESTATE FOR THE PURPOSE OF PAYING OFF CHAPTER 13 PLAN  
OR SIMPLY FOR THE PURPOSE OF REFINANCING REAL ESTATE**

NOW COMES David and Rebecca Lafferty, “Debtor”, by and through their attorney Joseph G. Pleva, and in support of his Motion to Incur Debt, states as follows:

1. The Debtor’s Chapter 13 Plan was filed on February 28, 2019 and Confirmed by Order of this Court on June 16, 2019.
2. Debtor’s Chapter 13 Plan requires them to pay \$1,503.00 per month, increasing to \$1,911.00 per month following the payoff of Debtor’s 401(k) loan.
2. Debtors are seeking approval to borrow money from Southern Mortgage Group, Inc. to refinance the purchase their primary residence located at 161 Lance Rd., Toney, AL.
3. Debtors want to borrow would be borrowing \$204,000 from a finance company related to Southern Mortgage Group and would repay outside of their Chapter 13 plan with payments of no more than \$1335.23 per month, including principal, interest, taxes and insurance.
4. Debtors refinanced mortgage payment will be replacing the \$1581.00 1<sup>st</sup> Mortgage payment and the \$888.00 2<sup>nd</sup> mortgage payment that they are currently making.
5. The \$204,000 borrowed will be used to pay closing costs of approximately \$7592.70. and payoff the first mortgage currently held by U.S. Bank National Association (balance approximately \$115,171.00) and the 2<sup>nd</sup> mortgage currently held by USAA (balance approximately \$51,971.00). Also, Debtors propose to use the remaining funds to payoff their Chapter 13 Bankruptcy. Debtors estimate their current Chapter 13 plan payoff is approximately \$29,000.00.

6. In the alternative, if this court will not approve this refinance agreement to allow debtor's to payoff their Chapter 13 plan early, Debtors request the Court to approve financing to allow debtors to refinance their house without taking any cash out. This proposed loan would be for \$175,000. With a payment of \$1196.78 including principal, interest and insurance.
7. Debtors believe that it is in their best interest to refinance their primary residence as that they will qualify for a much lower interest rate and monthly payment. If this Court allows debtors to payoff their Chapter 13 plan early, it will be in the best interest of creditors in that they will be paid much earlier than proposed in the plan

WHEREFORE, Debtors pray this Honorable Court enter an order approving debtor's Motion to Incur Debt to allow debtors to refinance and payoff their Chapter 13 plan or in the alternative, to simply refinance their real estate.

Dated: October 22, 2019

**/s/ Joseph G. Pleva**

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